

IT Initiative Supplement

July 25, 2011

I. Project Description

Project Title: MPERA Imaging Project

Brief Description of the Project Title: The MPERA Imaging project will implement imaging, basic workflow and provide for back file conversion for critical MPERA forms and documents.

Statewide Priority:

Agency Priority: High

Estimated Completion Date: FY2012

IT Project Biennium: FY2012 - FY2013

Request Number:

Version:

Agency Number: 61040

Agency Name: Montana Public Employee Retirement Administration

Program Number:

Program Name:

A. Type of Project (check all that apply)

- Enhancement
- Replacement
- X New
- O&M

B. Type of System (check all that apply)

- Mid-Tier
- Mainframe
- GIS
- Web
- X Network
- Desktop

II. Narrative

C. Executive Summary

Project Purpose and Objectives:

MPERA must improve business processing to meet customer expectations, and to provide improved services, effectiveness and efficiency.

MPERA's current business processes are paper intensive and manual. Documents that are necessary to the successful completion of critical business processes are located in various places throughout MPERA. Storage of paper documents for retention purposes requires increased space and cost, and increases the probability of misplacement and loss. An imaging system will improve records information management, business process functionality and provide continuity of operations.

The primary goals of the imaging project are to improve customer service, reduce business continuity risks plus to build a document management technology platform that will be integrated with the pension administration LOB to be delivered as part of the subsequent phases of the MPERAtiv initiative.

Technical Implementation Approach: MPERA plans to proceed with a system replacement program, MPERAtiv, comprised of multiple projects, each with independent procurement and implementation stages. The MPERA Imaging solution will be one of the first projects within the MPERAtiv initiative to be implemented.

Within the MPERAtiv program, MPERA will be implementing a LOB solution that will contain comprehensive workflow. As a result, the MPERA imaging solution will not require extensive workflow. When the LOB and imaging systems are integrated at a later date, the imaging system will capture and store images and the LOB will provide workflow.

The imaging solution will provide basic workflow improving customer service and business operations by eliminating the use of paper files until the LOB workflow is implemented at a later date.

Project Schedule and Milestones:

- RFP to select vendor.
- Identify MPERA imaging and scanning support needs.
- Develop detailed project plan.
- Development and testing.
- Training.
- Implementation – Day-Forward and incoming documents.
- Implementation – Paper Back file Conversion.
- Documentation.
- Review project at completion to highlight lessons learned and archive project knowledge gained.

D. Business and IT Problems Addressed

Many of MPERA's processes are driven by paper. Paper documents are stored in hardcopy form in each member file. As necessary, member files are pulled and accessed by MPERA staff. At times, an individual member's file is needed by different staff at the same time. This creates a time consuming process to track down the location of the file as well as a waiting period for when the file is available. In addition, storage and retrieval of the member file can be a time consuming process as well as a security risk.

Through the implementation of an Imaging solution, MPERA expects the following benefits:

- Simplify and improve business processes.
- Improve document classification, storage and access.
- Recovery of documents in the event of a disaster.
- Improve data capture from critical documents.
- Link document processing between bureaus.
- Reduce MPERA's processing costs.
- Improve services to MPERA stakeholders.
- Reduce or eliminate microfiche and future document storage costs.
- Reduce or eliminate loss or misplacement of documents and files.

E. Alternative(s)

Alternatives Considered: None

Rationale for Selection of Particular Alternative:

MPERA plans to implement an Imaging solution as soon as possible. By implementing imaging prior to the LOB replacement, MPERA expects to realize the following benefits:

- Early project win.
- Early exposure to a smaller 'pilot' project for better preparation of the larger LOB effort.
- Early disaster recovery protection.
- Increased operating efficiency can be leveraged before and during the LOB replacement.
- Project demand on MPERA staff will be more evenly distributed throughout the program lifecycle.

F. Narrative Detail

III. Costs

G. Estimated Cost of Project:

| | | |
|--|------------------------------------|-----------------------------------|
| 1. Personnel Services – IT Staff: | TBD | |
| 2. Personnel Services – Non IT Staff: | TBD | |
| 3. Contracted Services: RFP12-2162R | 412,555 | |
| 4. ITSD Services: | 0 | |
| 5. Hardware: | 84,618 | |
| 6. Software: | 11,113 | (Licensing (& initial setup)) |
| 7. Telecommunications: | NA | |
| 8. Maintenance: | 2,254 | (Ongoing support & service calls) |
| 9. Project Management: | (See IV&V and Contracted Services) | |
| 10. IV&V | 29,800 | (Provaliant, Retirement, LLC) |
| 11. Contingency: | TBD | |
| 12. Training: | 4,000 | |
| 13. Other: | 57,000 | (Back file conversion) |
| Total Estimated Costs: | 601,340 | |
| Total Funding: | | |

IV. Funding

H. Funding

1. Fund:
07 agency funds
2. Amount:
3. Total Costs:
Cash/Bonded:
Bill Number:

V. Cost upon Completion

- 1. Operating Costs upon Completion.** Note: This estimate assumes that MPERA will host the database and will seek expert help from ITSD only if needed.

| | |
|-------------------------------|---------------|
| FTE: | 27,040 |
| Ongoing support: | 1,417 |
| Operating Costs: | |
| Hardware | 0 |
| Software | 8,090 |
| Supplies | 600 |
| Maintenance Expenses: | |
| Service calls (8 hrs): | 837 |
| Total Estimated Costs: | 37,984 |

- 2. Funding Recap**

Fund Type:

Amount:

Total Funding:

V. Risk Assessment

A. Current IT Infrastructure Risks

1. Current application 10+ years old? New
Date of last major upgrade?
2. Current application is based on old technology? NA
If yes, what is the current hardware platform, operating system, and programming languages used to support the application?
3. Is the agency not capable of maintaining the current application with internal technical staff? NA
If yes, who supports the application today?
4. Other IT infrastructure risks? Yes
If yes, provide further detail.

New technology must integrate with existing software and hardware.

B. Current Business Risks

1. What are the risks to the state if the project is not adopted?

Calculation and payment of retirement benefits is at risk if documents are destroyed in a disaster. Incorrect record series profiles may be filed and permanent records may be destroyed. Business efficiencies are not realized resulting in higher personnel costs. There may be delays in processing member requests.

2. Does the current application meet current business requirements? No
If “no”, what specific business functions does the application lack?

There is no current imaging application. Hardcopy documents are used in manual processes.

C. Project Risk Assessment

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

Table H Risk Assessment

| Description | Severity (H/M/L) | Probability of Occurrence (%) | Estimated Cost | Mitigation Strategy |
|--|------------------|-------------------------------|----------------|---|
| Identification of an accurate document indexing system. | H | | | <ul style="list-style-type: none"> - Identify current and future critical documents to be imaged for inclusion in RFP. - Hire project manager to write imaging RFP ensuring requirements meet imaging standards. |
| Delayed implementation | H | | | <ul style="list-style-type: none"> - Monitor project schedule. - Hire oversight project manager to monitor projects to ensure project plan is accurate, up to date and that the project is proceeding as planned. |
| Implementation of imaging prior to implementing new system functionality. | L | 100% | | Implement basic workflow. The new Line of Business (LOB) application will provide business pension administration workflow. |
| MPERA organization change. | H | 90% | | Work with Steering Committee to define who owns organization change, what the steps are for implementation of change and the schedule for such changes. |